

1181  
INSTRUMENT PREPARED BY  
VIRGINIA GAS AND OIL BOARD

ORDER RECORDED UNDER CODE  
OF VIRGINIA SECTION 45.1-361.26

VIRGINIA:

BEFORE THE VIRGINIA GAS AND OIL BOARD

SUPPLEMENTAL ORDER REGARDING: DOCKET NO. VGOB 06/11/14-1765

ELECTIONS, UNIT: V-537538

(hereinafter "Subject Drilling Unit")

TAX MAP IDENTIFICATION NUMBERS:

TAX MAP IDENTIFICATION NUMBERS FOR ALL PARCELS  
AFFECTED BY THIS ORDER ARE SHOWN ON EXHIBIT (S) \_  
B WHICH IS/ARE ATTACHED TO AND A PART  
OF THIS ORDER.

REPORT OF BOARD

FINDINGS AND ORDER

1. This Supplemental Order is entered by the Board sua sponte in the form authorized by the Board at its hearing held at 9:00 a.m. on October 20, 1992, Board of Supervisors Room, Courthouse, Grundy, Virginia, and pursuant to authority granted to the Board's Chairman at the hearing of the Virginia Gas and Oil Board on June 16, 1992, at 9:00 a.m. at the Rhododendron Restaurant at the Breaks Interstate Park, Breaks, Virginia; and this Supplemental Order is being recorded for the purpose of (1) complying with the requirement of the Virginia Gas and Oil Board Regulations, 4 VAC 25-160.70C by supplementing the Order previously issued by the Board for subject Docket on November 14, 2006, and recorded in Book 437, Page 357 at the Office of the Clerk of Circuit Court, Dickenson County, Virginia on May 1, 2007, (herein "Board Order") to complete the record regarding elections. The Board Order pooled all interest in Subject Drilling Unit including those of the Respondents more particularly set forth and identified by the Designated Operator in the affidavits attached hereto and made a part hereof. The Board finds it has jurisdiction over the subject matter pursuant to the provisions of the Virginia Gas and Oil Act, § 45.1-361.1 et seq., Virginia Code, 1950 as amended.
2. Findings: The Board finds that:
  - (a) The Board Order directed Equitable Production Company, (herein the Designated Operator"), to mail copies of the Board Order to all respondents whose interest, if any, were pooled by said Board Order;
  - (b) The designated operator filed its affidavit of mailing dated May 22, 2007, disclosing that it had mailed a correct copy of the Board's Order to all Respondents whose interest, if any, were pooled by said Board Order;

- (c) The Board Order required each Respondent whose interest, if any, were pooled by the terms of said Board Order to make his or her election within thirty (30) days after the date of mailing or recording, as applicable, of said Order; the Designated Operator has filed its affidavit dated August 22, 2007, in accordance with § 7.C of the Virginia Gas and Oil Board Regulations and 4 VAC 25-160.70C (herein "Affidavit of Election"), wherein it has, for each Respondent whose interest, if any, were pooled by said Board Order, stated: (i) whether each Respondent has made or failed to make a timely election; (ii) the nature of the election made, if any; (iii) whether, by reason of a failure to elect or to timely elect one or more Respondents are deemed, under the terms of the Board's Order, to have leased all their rights, title, interest, estates and claims in Subject Drilling Unit to the Designated Operator;
  - (d) The Board Order further required the Designated Operator, after expiration of the election period, to file with the Board a statement of the interests subject to escrow under the terms and provisions of the Board Order, in light of the elections made or deemed to have been made (herein "Statement of Interests"); that the Designated Operator furnished said Statement of Interests as part of its Affidavit of Election. A copy of which is attached hereto as Exhibit B;
  - (e) Current Board standards requiring the escrow of funds and the Board's agreement with its Escrow Agent, Wachovia Bank, N. A., VA7515, P.O. Box 14061, Roanoke, VA 24038, (888) 396-0853, Attn: Judy Barger, or any successor named by the Board, require the entry of a Supplemental Order establishing of record the elections made or deemed to have been made and specifying the sums or percentage thereof subject to escrow. Current Board escrow standards were made applicable to Subject Drilling Unit by a Board Order dated December 23, 1992.
3. Order: By this Order, the Board orders the Designated Operator to tender, consistent with and in accordance with the findings set forth at paragraph 2 above and the annexed Affidavits, any funds subject to escrow and instructs the Escrow Agent, Wachovia Bank, N. A., VA7515, P.O. Box 14061, Roanoke, VA 24038, (888) 396-0853, Attn: Judy Barger, or any successor named by the Board to establish interest-bearing escrow account(s), IRS Tax Identification Number 54-1629506, in accordance with the information set forth in said affidavits to receive such funds and account to the Board therefore.
4. Mailing of Order and Filing of Affidavit: The Designated Operator under the captioned Order or its Attorney shall file an affidavit with the Secretary of the Board within ten (10) days after the date of receipt of this Order stating that a true and correct copy of this Order was mailed to each person whose interest or claim is subject to escrow and whose address is known.
5. Conclusion: Therefore, the findings and all terms and provisions set forth above be and hereby are granted and IT IS SO ORDERED.
6. Effective Date: This Order shall be effective on the date of its execution.

DONE AND EXECUTED this 18<sup>th</sup> day of October, 2007 by a majority of the Virginia Gas and Oil Board.

Benny R. Wampler  
Chairman, Benny R. Wampler

DONE AND PERFORMED this 18<sup>th</sup> day of October, 2007 by Order of this Board.

B. R. Wilson  
B. R. Wilson  
Principal Executive to the Staff  
Virginia Gas and Oil Board

STATE OF VIRGINIA       )  
COUNTY OF WASHINGTON )

Acknowledged on this 18<sup>th</sup> day of October, 2007, personally before me a notary public in and for the Commonwealth of Virginia, appeared Benny Wampler, being duly sworn did depose and say that he is Chairman of the Virginia Gas and Oil Board, and B. R. Wilson, being duly sworn did depose and say that he is Principal Executive to the Staff of the Virginia Gas and Oil Board, that they executed the same and was authorized to do so.

Diane J. Davis  
Diane Davis  
Notary Public    174394

My commission expires: 9/30/07

**VIRGINIA:*****BEFORE THE VIRGINIA GAS AND OIL BOARD***

IN RE: Application of Equitable Production Company, for Forced Pooling of Interests in Unit Number V-537538 VGOB Docket No. VGOB-06/11/14-1765 in the Kenady Magisterial District of Dickenson County, Virginia.

**AFFIDAVIT OF WILHOIT & KAISER, Attorneys-at-Law, Agents for the Designated Operator REGARDING ELECTIONS, ESCROW ACCOUNTS AND SUPPLEMENTAL ORDER**

James E. Kaiser (herein Affiant), being first duly sworn on oath, deposes and says:

1. That the Affiant is an attorney in the law firm of WILHOIT & KAISER, the Agent for the Designated Operator, with offices located at 220 Broad Street, Kingsport, Tennessee 37660, and is authorized to give this Affidavit in its behalf;
2. That the Order entered on November 14, 2006, by the Virginia Gas and Oil Board regarding the captioned Conventional Unit required the Applicant to mail a true and correct copy of said Order to each person pooled by said Order;
3. That within seven (7) days of the receipt of an executed copy of the Order referred to at Paragraph 2. above, the Affiant was directed to cause a true and correct copy of said Order to be mailed via the United States Postal Service to each Respondent named in the captioned Application, whose address was known, and to all persons, if any, who are added as Respondents at the hearing held in the captioned matter;
4. That the Order of the Virginia Gas and Oil Board in the captioned matter required all persons pooled thereby to tender their written elections to the Unit Operator within thirty (30) days of the date said Order was recorded in the county above named; that said Order was recorded on May 1, 2007.
5. That the Designated Operator, by and through their agent, Wilhoit & Kaiser, Attorneys-at-Law, have established procedures to review all mail received and all written documents received by means other than by mail to ascertain whether parties whose interest have been pooled have made a written election, in a timely fashion, as required by the captioned Order; that said procedures were followed to identify the elections, if any, made with regard to Subject Unit; that the following persons delivered, by mail or otherwise, written elections to the Unit Operator, within the thirty day election periods:

NONE



6. That the interest and/or claims of the following persons (who made timely elections, or who are deemed under the terms of the Board's Order to have leased, or who, subsequent to the pooling hearing held in the captioned matter, have leased or otherwise entered into an agreement with the Designated Operator) are subject to escrow under the Board's Order pooling the captioned Unit, as unknown ownership to the gas estate:

TRACT	LESSOR	LEASE STATUS	NET REVENUE INTEREST
2	Linda W. Wood and John Wood, W/H Unknown	Unleased	0.00040417
	Jackie Wallen and Gayle Wallen, H/W Unknown	Unleased	0.00032333
	Rita Wallen Unknown	Unleased	0.00032333
	Sandra Wallen Unknown	Unleased	0.00032333
	Mackie Ann Wallen Unknown	Unleased	0.00053889
	Dan Olen Wallen Unknown	Unleased	0.00053889
	Additional Child Unknown	Unleased	0.00053889
	Tessie W. Bates Heirs Unknown	Unleased	0.00161667
	Pennelope Baker Unknown	Unleased	0.00010104
	5 Additional Children Unknown	Unleased	0.00129333
5	Harry Seveny Unknown	Unleased	0.00161667
	Albert R. Stanley and Geneva Stanley, Heirs Unknown	Unleased	0.00465000

7. That after the pooling hearing held in the captioned matter, the following persons have leased or entered into a voluntary agreement with the Designated Operator with regard to their interest and/or claims.

TRACT	NAME	LEASE NO.
3	L.C. Hill and Debbie Hill h/w 6020 Haverhill Court Springfield, VA 22152	906917

8. That the following persons have not made a timely election and have failed to enter into an agreement with the Designated Operator and their respective interests shall be deemed to have leased pursuant to and in accordance with paragraph 10 of the Order.

<u>TRACT</u>	<u>LESSOR</u>	<u>CASH CONSIDERATION</u>
2	<u>J. L. Wallen Heirs</u>	
	Joyce Wallen, widow Rt 1, Box 278 Clintwood, VA 24228 TAX ID 13389	0.364375 x \$5.00 = \$1.82
	Buddy H. Wallen 1085 Rotherwood Dr. Kingsport, TN 37660	1.821875 x \$5.00 = \$9.11
	R.L. Wallen 1024 Wellington Blvd Kingsport, TN 37660	1.821875 x \$5.00 = \$9.11
	Linda W. Wood and John Wood, W/H Unknown	0.364375 x \$5.00 = \$1.82
	<u>Andrew Jackson Wallen Heirs:</u>	
	Jackie Wallen and Gayle Wallen, H/W Unknown	0.2915 x \$5.00 = \$1.46
	Rita Wallen Unknown	0.2915 x \$5.00 = \$1.46
	Harold Jean Wallen 6725 Yorkshire Dr. Avon, IN 46123	0.2915 x \$5.00 = \$1.46

<u>TRACT</u>	<u>LESSOR</u>	<u>CASH CONSIDERATION</u>
2	Sandra Wallen Unknown	$0.2915 \times \$5.00 = \$1.46$
	Ricky Wallen 104 Pineville Drive Beckley, WV 25801-9357	$0.2915 \times \$5.00 = \$1.46$
<u>Newton Wallen Heirs:</u>		
	Mackie Ann Wallen Unknown	$0.48583333 \times \$5.00 = \$2.43$
	Dan Olen Wallen Unknown	$0.48583333 \times \$5.00 = \$2.43$
	Additional Child Unknown	$0.48583333 \times \$5.00 = \$2.43$
	Tessie W. Bates Heirs Unknown	$1.4575 \times \$5.00 = \$7.29$
	Lillian W. Ratliff, widow 80 Mount Vernon Drive Bristol, VA	$1.4575 \times \$5.00 = \$7.29$
<u>Palmer Glenn Baker Heirs:</u>		
	Pennelope Baker Unknown	$0.09109375 \times \$5.00 = \$0.46$
<u>George Reedy and Vesta Heirs:</u>		
	Avon Reedy and Jean Reedy, H/W 18251 Clay Hill Stevensburg, VA 27741	$0.2915 \times \$5.00 = \$1.46$
	5 Additional Children Unknown	$1.166 \times \$5.00 = \$5.83$
<u>Rufus and Daisey Wallen Heirs:</u>		
	Henrieta Wallen Lafferty and Bill Lafferty, W/H 700 Guld Blvd Indian Rocks Beach, FL. 33785-2644	$0.24291667 \times \$5.00 = \$1.21$

<u>TRACT</u>	<u>LESSOR</u>	<u>CASH CONSIDERATION</u>
2	Judy Wallen Stewart and Malcom Stewart, , W/H 17256 Four Seasons Dr. Dumfries, VA 22025-1847	0.24291667 x \$5.00 = \$1.21
	Loretta Wallen Switzer and John Switzer, W/H 1012 Center Lake Burrell Dr. Lutz, FL 33549-3501	0.24291667 x \$5.00 = \$1.21
	Harry Seveny Unknown	1.4575 x \$5.00 = \$7.29
4	Margie E. Carty, widow Rt. 2 Box 246 Coeburn, VA 24230	5.05 x \$5.00 = \$25.25
5	Albert R. Stanley and Geneva Stanley, Heirs Unknown	4.19 x \$5.00 = \$20.95

That pursuant to the provision of 4VAC 25-160.70C annexed hereto and incorporated herein is a proposed supplemental order to be entered to complete the record regarding elections; that said annexed supplemental order sets forth that the services of the Escrow Agent are required in this matter pursuant to the terms of §§ 45.1-361.21.D.

Dated at Kingsport, Tennessee, this 23<sup>rd</sup> day of August 2007.

[Signature]  
Affiant

Taken, subscribed and sworn to before me by James E. Kaiser, the Agent of Equitable Production Company, a corporation, on behalf of the corporation, this 23<sup>rd</sup> day of August 2007.

My commission expires: 11-12-08

[Signature]  
Notary  
5





## EXHIBIT "B"

V-537538

VGOB 06/11/14-1765

REVISED 11/08/06

TRACT	LESSOR	LEASE STATUS	INTEREST WITHIN UNIT	GROSS ACREAGE IN UNIT	NET REVENUE INTEREST	
<b><u>GAS ESTATE ONLY</u></b>						
1	Pine Mountain Oil & Gas, Inc.	Leased-EPC	62.76000000%	70.7300	0.07845000	RI
TAX ID 1827531	Attn: Jerry Grantham	241490LT-669				
	P.O. Box 2136					
	Abingdon, VA 24212					
	Equitable Production Company				0.54915000	WI
<b>Tract 1 Totals</b>			<b>62.760000%</b>	<b>70.7300</b>	<b>62.760000%</b>	
2	<b><u>J. L. Wallen Heirs</u></b>					
TAX ID 13393						
TAX ID 13389	Joyce Wallen, widow	Unleased	0.32333333%	0.3644	0.00040417	RI
	Rt 1, Box 278					
	Clintwood, VA 24228					
	Buddy H. Wallen	Unleased	1.61666667%	1.8219	0.00202083	RI
	1085 Rotherwood Dr.					
	Kingsport, TN 37660					
	R.L. Wallen	Unleased	1.61666667%	1.8219	0.00202083	RI
	1024 Wellington Blvd					
	Kingsport, TN 37660					
	Linda W. Wood and	Unleased	0.32333333%	0.3644	0.00040417	RI
	John Wood, W/H					
	Unknown					
	<b><u>Andrew Jackson Wallen Heirs:</u></b>					
	Jackie Wallen and	Unleased	0.25866667%	0.2915	0.00032333	RI
	Gayle Wallen, H/W					
	Unknown					
	Rita Wallen	Unleased	0.25866667%	0.2915	0.00032334	RI
	Unknown					
	Harold Jean Wallen	Unleased	0.25866667%	0.2915	0.00032334	RI
	6725 Yorkshire Dr.					
	Avon, IN 46123					
	Sandra Wallen	Unleased	0.25866667%	0.2915	0.00032334	RI
	Unknown					
	Ricky Wallen	Unleased	0.25866667%	0.2915	0.00032334	RI
	104 Pineville Drive					
	Beckley, WV 25801-9357					
	<b><u>Newton Wallen Heirs:</u></b>					
	Mackie Ann Wallen	Unleased	0.43111111%	0.4858	0.00053889	RI
	Unknown					
	Dan Olen Wallen	Unleased	0.43111111%	0.4858	0.00053889	RI
	Unknown					
	Additional Child	Unleased	0.43111111%	0.4858	0.00053889	RI
	Unknown					
	Tessie W. Bates Heirs	Unleased	1.29333333%	1.4575	0.00161667	RI

## EXHIBIT "B"

V-537538

VGOB 06/11/14-1765

REVISED 11/08/06

<u>TRACT</u>	<u>LESSOR</u>	<u>LEASE STATUS</u>	<u>INTEREST WITHIN UNIT</u>	<u>GROSS ACREAGE IN UNIT</u>	<u>NET REVENUE INTEREST</u>	
	Unknown					
	Lillian W. Ratliff, widow 80 Mount Vernon Drive Bristol, VA	Unleased	1.29333333%	1.4575	0.00161667	RI
	<b><u>Edison Wallen and Iola Wallen Heirs:</u></b>					
	Karen Wallen Pennington and Ernest Pennington, W/H 640 Garden Lane Bristol, VA 24201-1515	Leased-EPC 906610	1.29333333%	1.4575	0.00161667	RI
	<b><u>Hattie W. Baker Heirs:</u></b>					
	Andy James Baker and Sue Baker, H/W P.O. Box 1103 Clintwood, VA 24228	Leased-EPC 906610	0.16166667%	0.1822	0.00020208	RI
	Betty Baker, widow Route 1, Box 212B Reedy Creek Road Clintwood, VA 24228	Leased-EPC 906610	0.16166667%	0.1822	0.00020208	RI
	Steven Baker and Shelly Baker, H/W 4305 DC Caney Ridge Road Clintwood, VA 24228	Leased-EPC 906610	0.16166667%	0.1822	0.00020208	RI
	Janet Sue Baker Mullins and Jimmy Mullins, W/H 554 Walnut Street Clintwood, VA 24228	Leased-EPC 906610	0.16166667%	0.1822	0.00020208	RI
	<b><u>Palmer Glenn Baker Heirs:</u></b>					
	Pennelope Baker Unknown	Unleased	0.08083333%	0.0911	0.00010104	RI
	Phillip Baker and Lisa Baker, H/W 6502 Lake Vista Drive Mechanicsville, VA 23111	Leased-EPC 906610	0.08083333%	0.0911	0.00010104	RI
	Beverly Baker, widow 2308 Wistar Ct. Richmond, VA 23294	Leased-EPC 906610	0.16166667%	0.1822	0.00020208	RI
	Janie Baker Bise and Larry Bise, W/H 211 Reedy Ridge Road Clintwood, VA 24228	Leased-EPC 906610	0.16166667%	0.1822	0.00020208	RI
	Carroll Ray Baker, widower 4305 DC Caney Ridge Road Clintwood, VA . 24228	Leased-EPC 906610	0.16166667%	0.1822	0.00020208	RI
	<b><u>George Reedy and Vesta Heirs:</u></b>					
	Avon Reedy and					

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V-537538

VGOB 06/11/14-1765

REVISED 11/08/06

TRACT	LESSOR	LEASE STATUS	INTEREST WITHIN UNIT	GROSS ACREAGE IN UNIT	NET REVENUE INTEREST	
	Jean Reedy, H/W 18251 Clay Hill Stevensburg, VA 27741	Unleased	0.25866667%	0.2915	0.00032334	RI
	5 Additional Children Unknown	Unleased	1.03466667%	1.1660	0.00129334	RI
	<b>Rufus and Daisey Wallen Heirs:</b>					
	Henrieta Wallen Lafferty and Bill Lafferty, W/H 700 Guld Blvd Indian Rocks Beach, FL. 33785-2644	Unleased	0.21555556%	0.2429	0.00026944	RI
	Judy Wallen Stewart and Malcom Stewart, , W/H 17256 Four Seasons Dr. Dumfries, VA 22025-1847	Unleased	0.21555556%	0.2429	0.00026944	RI
	Paul Wallen P.O. Box 264 Old Flatwoods Rd. Coeburn, VA 24230	Leased-EPC 906610	0.21555556%	0.2429	0.00026944	RI
	Freddie Wallen P.O. Box 264 Coeburn, VA 24230	Leased-EPC 906610	0.21555556%	0.2429	0.00026944	RI
	Shirley Wallen Spenilla and Ross Spenilla, W/H 2922 Dungannon Road Coeburn, VA 24230	Leased-EPC 906610	0.21555556%	0.2429	0.00026944	RI
	Loretta Wallen Switzer and John Switzer, W/H 1012 Center Lake Burrell Dr. Lutz, FL 33549-3501	Unleased	0.21555556%	0.2429	0.00026944	RI
	Harry Seveny Unknown	Unleased	1.29333333%	1.4575	0.00161667	RI
	Equitable Production Company				0.13580000	WI
<b>Tract 2 Totals</b>			<b>15.520000%</b>	<b>17.4900</b>	<b>15.520000%</b>	
3 TAX ID # 5127	L.C. Hill and Debbie Hill h/w 6020 Haverhill Court Springfield, VA 22152	Leased 906917	13.02000000%	14.6700	0.01627500	RI
	Equitable Production Company				0.11392500	WI
<b>Tract 3 Totals</b>			<b>13.020000%</b>	<b>14.6700</b>	<b>13.020000%</b>	
4 TAX ID # 1457	Margie E. Carty, widow Rt. 2 Box 246 Coeburn, VA 24230	Unleased	4.48000000%	5.0500	0.00560000	RI
	Equitable Production Company				0.03920000	WI
<b>Tract 4 Totals</b>			<b>4.480000%</b>	<b>5.0500</b>	<b>4.480000%</b>	

EXHIBIT "B"						
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REVISED 11/08/06						
TRACT	LESSOR	LEASE STATUS	INTEREST WITHIN UNIT	GROSS ACREAGE IN UNIT	NET REVENUE INTEREST	
5	Albert R. Stanley and	Unleased	3.72000000%	4.1900	0.00465000	RI
Minerals Only	Geneva Stanley, Heirs					
	Unknown					
	Equitable Production Company				0.03255000	WI
<b>Tract 5 Totals</b>			<b>3.720000%</b>	<b>4.1900</b>	<b>3.720000%</b>	
6	Leslie Verl Stanley and	Leased-EPC	0.25000000%	0.2800	0.00031250	RI
Minerals Only	Diane A. Stanley h/w	906656				
	10349 Hamlin Dr.					
	Chester, VA 23831					
	Minerals Only					
	Larry Gene and	Leased	0.25000000%	0.2800	0.00031250	RI
	Diane H. Stanley h/w					
	41 Linder Circle					
	Homossassa, FL 34446					
	Equitable Production Company				0.00437500	WI
<b>Tract 6 Totals</b>			<b>0.500000%</b>	<b>0.5600</b>	<b>0.500000%</b>	
	<b>Total Gas Estate</b>		<b>100.00000000%</b>	<b>112.6900</b>	<b>1</b>	

INSTRUMENT #070002075  
 RECORDED IN THE CLERK'S OFFICE OF  
 DICKENSON ON  
 NOVEMBER 1, 2007 AT 09:31AM  
 JOE TATE, CLERK

RECORDED BY: JBM

VIRGINIA: IN THE OFFICE OF THE CLERK OF THE CIRCUIT COURT OF DICKENSON COUNTY, Nov. 1, 2007, This deed was this day presented in said office, and upon the certificate of acknowledgment thereto annexed, admitted to record at 9:31 o'clock AM, after payment of \$ — tax imposed by Sec. 58.1-802.

Original returned this date to: Diane Davis

TESTE: JOE TATE, CLERK  
 BY: [Signature] D. CLERK